

AMENDED IN ASSEMBLY JANUARY 4, 2010

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1171

Introduced by Assembly Member Ammiano

February 27, 2009

An act to amend ~~Section~~ *Sections 7060 and 7060.4* of the Government Code, relating to rental property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1171, as amended, Ammiano. ~~Rental property: public entity restriction: property.~~

(1) Under the Ellis Act, public entities generally are prohibited from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations in the property for rent or lease. The act defines accommodations subject to the act to mean either residential rental units in any detached physical structure containing 4 or more residential rental units or, with respect to a detached physical structure containing 3 or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land.

Existing law declares that it is the intent of the Legislature in enacting the Ellis Act to supersede any holding, or portion of the holding, of a specified case, to the extent that the holding, or portion of the holding, conflicts with this chapter, so as to permit landlords to go out of business.

This bill would define, for purposes of the act, “to go out of business” to mean to discontinue in the business or occupation of being a landlord.

~~Existing~~

(2) *Existing* law authorizes, subject to specified provisions, any public entity that has in effect any system of rent control to require the owner to notify the entity of an intention to withdraw those accommodations from rent or lease. This authorization provides that the rent control system may establish the date on which the accommodations are withdrawn from rent or lease 120 days from the delivery in person or by first-class mail of that notice to the public entity, unless the tenant or lessee is at least 62 years of age or disabled and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw, in which case the date of withdrawal of the accommodations of that tenant or lessee is required to be extended to one year after the date of delivery of that notice to the public entity. Existing law specifies that this one-year extension occurs only if the tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of delivery to the public entity of the notice of intent to withdraw.

This bill would, instead, specify that the rent control system of a public entity may require that the one-year extension applies to all tenancies in the applicable accommodations if a tenant or lessee who is at least 62 years of age or disabled has lived in the accommodations for at least one year prior to the delivery of notice to a public entity and gives the required 60-day notice to the owner. This bill would require an owner, as applicable in these circumstances, to notify all tenants of the one-year extension. This bill would make conforming changes to related provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7060 of the Government Code is amended
2 to read:

3 7060. (a) No public entity, as defined in Section 811.2, shall,
4 by statute, ordinance, or regulation, or by administrative action
5 implementing any statute, ordinance or regulation, compel the
6 owner of any residential real property to offer, or to continue to
7 offer, accommodations in the property for rent or lease, except for

1 guestrooms or efficiency units within a residential hotel, as defined
2 in Section 50519 of the Health and Safety Code, if the residential
3 hotel meets all of the following conditions:

4 (1) The residential hotel is located in a city and county, or in a
5 city with a population of over 1,000,000.

6 (2) The residential hotel has a permit of occupancy issued prior
7 to January 1, 1990.

8 (3) The residential hotel did not send a notice of intent to
9 withdraw the accommodations from rent or lease pursuant to
10 subdivision (a) of Section 7060.4 that was delivered to the public
11 entity prior to January 1, 2004.

12 (b) For the purposes of this chapter, the following definitions
13 apply:

14 (1) "Accommodations" means either of the following:

15 (A) The residential rental units in any detached physical
16 structure containing four or more residential rental units.

17 (B) With respect to a detached physical structure containing
18 three or fewer residential rental units, the residential rental units
19 in that structure and in any other structure located on the same
20 parcel of land, including any detached physical structure specified
21 in subparagraph (A).

22 (2) "Disabled" means a person with a disability, as defined in
23 Section 12955.3 of the Government Code.

24 (3) *"To go out of business" means to discontinue in the business*
25 *or occupation of being a landlord.*

26 **SECTION 1.**

27 **SEC. 2.** Section 7060.4 of the Government Code is amended
28 to read:

29 7060.4. (a) (1) Any public entity which, by a valid exercise
30 of its police power, has in effect any control or system of control
31 on the price at which accommodations are offered for rent or lease,
32 may require by statute or ordinance, or by regulation as specified
33 in Section 7060.5, that the owner notify the entity of an intention
34 to withdraw those accommodations from rent or lease and may
35 require that the notice contain statements, under penalty of perjury,
36 providing information on the number of accommodations, the
37 address or location of those accommodations, the name or names
38 of the tenants or lessees of the accommodations, and the rent
39 applicable to each residential rental unit.

(2) Information respecting the name or names of the tenants, the rent applicable to any residential rental unit, or the total number of accommodations, is confidential information and for purposes of this chapter shall be treated as confidential information by any public entity for purposes of the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). A public entity shall, to the extent required by the preceding sentence, be considered an “agency,” as defined by subdivision (b) of Section 1798.3 of the Civil Code.

(b) The statute, ordinance, or regulation of the public entity may require that the owner record with the county recorder a memorandum summarizing the provisions, other than the confidential provisions, of the notice in a form that shall be prescribed by the statute, ordinance, or regulation, and require a certification with that notice that actions have been initiated as required by law to terminate any existing tenancies. In that situation, the date on which the accommodations are withdrawn from rent or lease for purposes of this chapter is 120 days from the delivery in person or by first-class mail of that notice to the public entity. However, if any tenant or lessee is at least 62 years of age or disabled, and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw pursuant to subdivision (a), then the date of withdrawal of the accommodations *of every tenant or lessee* shall be extended to one year after the date of delivery of that notice to the public entity, provided that a tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of delivery to the public entity of the notice of intent to withdraw. In that situation, the following provisions shall apply:

(1) The tenancies shall be continued on the same terms and conditions as existed on the date of delivery to the public entity of the notice of intent to withdraw, subject to any adjustments otherwise available under the system of control.

(2) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.

(3) Within 30 days of the notification by ~~a~~ *the* tenant or lessee to the owner of his or her entitlement to an extension, the owner shall give written notice to the public entity and all other tenants

1 *and lessees of-a the* claim that the tenant or lessee is entitled to
2 stay in their accommodations for one year after date of delivery
3 to the public entity of the notice of intent to withdraw.

4 (4) Within 90 days of date of delivery to the public entity of the
5 notice of intent to withdraw, the owner shall give written notice
6 to the public entity and ~~the affected tenants~~ *to all tenants and*
7 *lessees* that the date of withdrawal has been extended to one year.

8 (c) The statute, ordinance, or regulation of the public entity
9 adopted pursuant to subdivision (a) may also require the owner to
10 notify any tenant or lessee to be displaced pursuant to this chapter
11 of the following:

12 (1) That the public entity has been notified pursuant to
13 subdivision (a).

14 (2) That the notice to the public entity specified the name and
15 the amount of rent paid by the tenant or lessee as an occupant of
16 the accommodations.

17 ~~(3) The date of withdrawal has been extended to one year~~
18 ~~pursuant to subdivision (b).~~

19 ~~(4)~~

20 (3) The amount of rent the owner specified in the notice to the
21 public entity.

22 ~~(5)~~

23 (4) Notice to the tenant or lessee of his or her rights under
24 paragraph (3) of subdivision (b) of Section 7060.2.

25 (5) *Notice to every tenant or lessee of the following:*

26 (A) *If the tenant or lessee is at least 62 years of age or disabled,*
27 *and has lived in his or her accommodations for at least one year*
28 *prior to the date of delivery to the public entity of the notice of*
29 *intent to withdraw, then all tenancies shall be extended to one year*
30 *after date of delivery to the public entity of the notice of intent to*
31 *withdraw, provided that the tenant or lessee gives written notice*
32 *of his or her entitlement to the owner within 60 days of date of*
33 *delivery to the public entity of the notice of intent to withdraw.*

34 (B) *The extended tenancies shall be continued on the same terms*
35 *and conditions as existed on the date of delivery to the public entity*
36 *of the notice of intent to withdraw, subject to any adjustments*
37 *otherwise available under the system of control.*

38 (C) *No party shall be relieved of the duty to perform any*
39 *obligation under the lease or rental agreement during the extended*
40 *tenancy.*

- 1 (d) The statute, ordinance, or regulation of the public entity
- 2 adopted pursuant to subdivision (a) may also require the owner to
- 3 notify the public entity in writing of an intention to again offer the
- 4 accommodations for rent or lease.

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